



# Woodway Community Meeting

April 20, 2024

Town of Woodway  
WASHINGTON



# Town's Budget

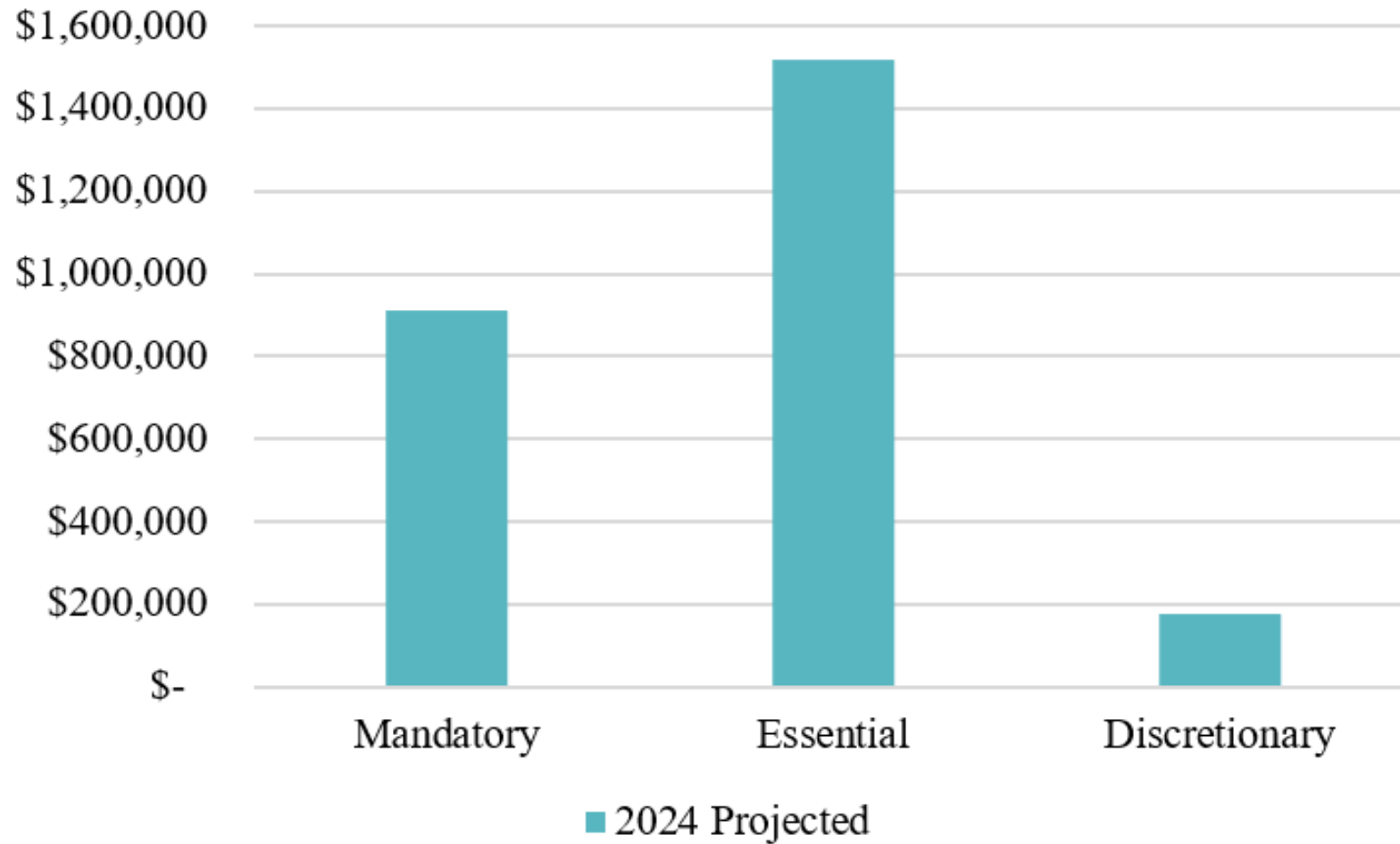


Town of Woodway  
WASHINGTON

# Balancing the Budget

- Very limited operations, consisting primarily of state mandated responsibilities and essential services (e.g., police, fire, EMS).
- Largest source of revenue is property tax. State law limits how much additional property tax the Town can receive each year without voter approval – 1% more than the Town received the prior year.
- Last voter approved Town property tax increase was in 2009.
- Council is considering whether to place a property tax increase on the November ballot. We need your feedback.

# Operating Expenses



# Governmental Functions

- **Mandatory:** Expenses we incur by reason of state mandate or contractual obligation. Includes positions (e.g., clerk/treasurer, building official, attorney, and police chief), functions (e.g., building inspector, a planner, and certain responsibilities of public works), and costs (e.g., State Auditor and County elections).
- **Essential:** Not legally required but expected by residents (e.g., police, fire and emergency medical services, and certain responsibilities of public works).
- **Discretionary:** Primarily consists of the Town Administrator position, certain responsibilities of public works, beautification, and community events, such as the Town Fair.

# Financial Forecast

---



Town of Woodway  
WASHINGTON

# Cash Flow

The Town operates at a deficit annually, relying on its operating reserves to balance the budget.

Revenues minus Expenses	2025	2026	2027	2028	2029	2030	2031
Revenues	2,122,753	2,115,818	2,102,050	2,118,066	2,133,729	2,154,445	2,181,944
Expenses	(2,366,053)	(2,429,444)	(2,556,745)	(2,629,452)	(2,748,061)	(2,834,208)	(2,983,818)
Net Income	(243,300)	(313,626)	(454,696)	(511,386)	(614,332)	(679,762)	(801,875)

# Forecast

The Town's available operating reserves will be depleted by mid-2027. \*

Operating Reserves	2025	2026	2027	2028	2029	2030	2031
Available Funds	\$ 1,160,075	\$ 706,929	\$ 333,927	\$ (174,788)	\$ (753,789)	\$ (1,430,811)	\$ (2,191,321)

\* Available operating reserves excludes approximately \$950,000 that the Town maintains for catastrophic emergencies and cash flow.





# How much have I paid?



Town of Woodway  
WASHINGTON

# Property Tax Rates

The Town receives approximately 16% of the total amount you pay in property tax.

Property Tax - How Much Have I Paid?			
2024			
Taxable Assessed Value	\$	1,000,000	
<i>Taxing Authority</i>	Rate	Tax	
School District	2.73	\$	2,730
State Schools	2.25	\$	2,250
<b>Woodway</b>	<b>1.11</b>	<b>\$</b>	<b>1,110</b>
Snohomish County	0.5	\$	500
Sound Transit	0.16	\$	160
Port of Edmonds	0.07	\$	70
Hospital Dist 2	0.05	\$	50
<b>Total Tax Bill</b>	<b>6.87</b>	<b>\$</b>	<b>6,870</b>
<i>Woodway's portion of your total tax bill</i>	16%		



# Property Tax Levy

---



Town of Woodway  
WASHINGTON

# Property Tax Levy Limitations

- A city can collect only 1% more in property tax revenue than it received in the prior year.
- For Woodway, this is approximately \$12,000 in additional revenue each year.
- This 1% limit is irrespective of what happens to the assessed value of your home (**i.e., an increase in your home's value by a certain percentage does not result in a corresponding increase in the Town's property tax revenue**).
- This limitation creates a structural deficit that, for most cities, that only can be resolved temporarily by voters.

# Levy Lid Lift Options

The Town can collect more than 1% more than it received in the prior year if voters approve a “levy lid lift.”

Generally speaking, there are two types of levy lid lifts:

- **One-time:** a one-time increase that establishes a new base for subsequent levies, which are subject to the 1% annual limit.
- **Six-year:** a levy that increases each year for six years, with the sixth year establishing a new base for subsequent levies, which are subject to the 1% annual limit.

# Levy Examples

- Charts provide examples of the two types of levy lid lifts.
- Within the two examples, the charts compare:
  - Rates needed to maintain existing services.
  - Rates needed to enhance public safety with new technologies and additional police officers to increase patrols and address speeding.
- The charts are based on \$1 million in assessed value.\*

*\*The use of a \$1 million valuation is intended to allow for each homeowner to easily calculate their personal taxes. The average assessed value in Woodway for 2024 is \$2,234,500.*



# Levy Examples - Continued

- The examples will show illustrate different ways to achieve roughly the same amount of money.
- The Town needs approximately \$2,800 for each \$1 million in assessed value over six years to maintain existing services (\$467 a year).
- The Town needs approximately an additional \$900 for each \$1 million in assessed value over six years to enhance police services (\$150 a year).

*Maintain current services*

<b>One-time Levy</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Increase in the Town's Rate	39.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Increase in the Total Rate	6.3%	0.2%	0.2%	0.2%	0.2%	0.2%
Increase for each \$1M in AV	\$ 430	\$ 15	\$ 16	\$ 16	\$ 16	\$ 16

*With new technologies and additional police officers to increase patrols and address speeding*

<b>One-time Levy</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Increase in the Town's Rate	52.5%	1.0%	1.0%	1.0%	1.0%	1.0%
Increase in the Total Rate	8.5%	0.2%	0.2%	0.2%	0.2%	0.2%
Increase for each \$1M in AV	\$ 583	\$ 17	\$ 17	\$ 17	\$ 17	\$ 18



*Maintain current services*

<b>Six-year Levy</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Increase in the Town's Rate	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
Increase in the Total Rate	1.7%	1.8%	2.0%	2.1%	2.3%	2.5%
Increase for each \$1M in AV	\$ 114	\$ 126	\$ 139	\$ 153	\$ 169	\$ 187

*With new technologies and additional police officers to increase patrols and address speeding*

<b>Six-year Levy</b>						
	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>	<b>2030</b>
Increase in the Town's Rate	12.9%	12.9%	12.9%	12.9%	12.9%	12.9%
Increase in the Total Rate	2.1%	2.3%	2.5%	2.8%	3.1%	3.4%
Increase for each \$1M in AV	\$ 143	\$ 162	\$ 183	\$ 206	\$ 233	\$ 263

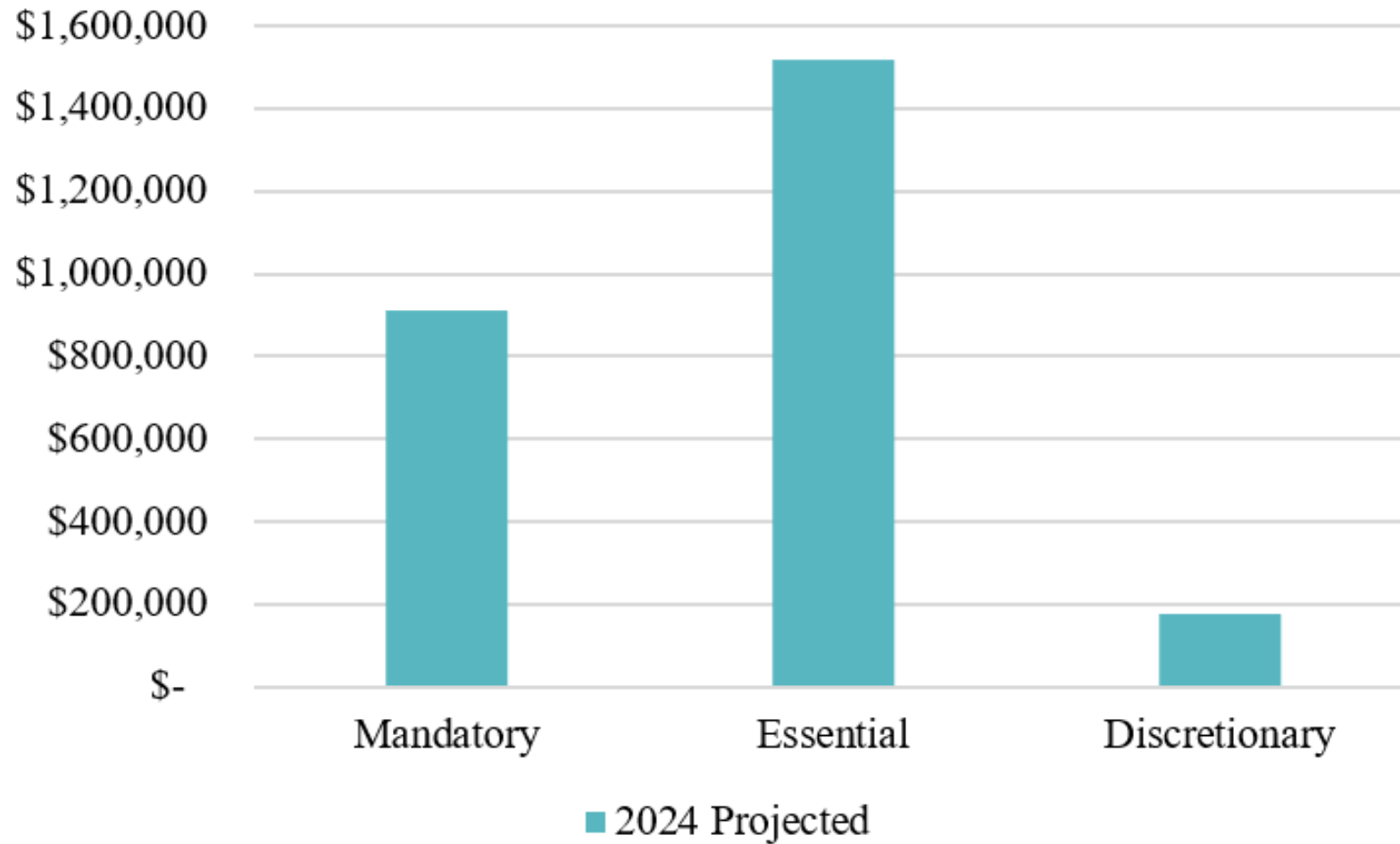
# Why the public safety budget is at risk?

---

Town of Woodway  
WASHINGTON



# Operating Expenses



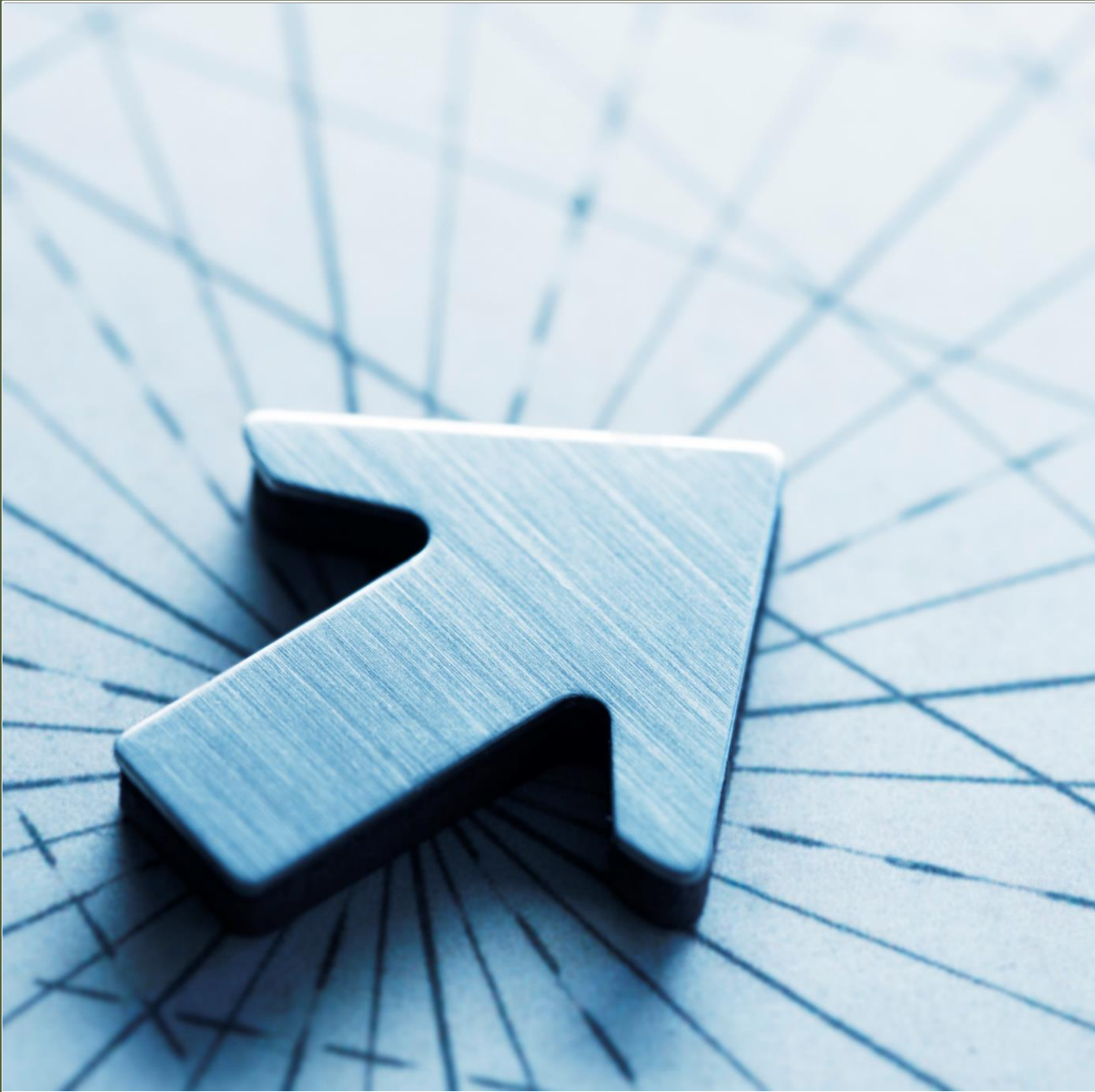
# Governmental Functions

- **Mandatory:** Expenses we incur by reason of state mandate or contractual obligation. Includes positions (e.g., clerk/treasurer, building official, attorney, and police chief), functions (e.g., building inspector, a planner, and certain responsibilities of public works), and costs (e.g., State Auditor and County elections).
- **Essential:** Not legally required but expected by residents (e.g., police, fire and emergency medical services, and certain responsibilities of public works).
- **Discretionary:** Primarily consists of the Town Administrator position, certain responsibilities of public works, beautification, and community events, such as the Town Fair.

- The Town’s projected budget deficit is expected to grow significantly over time.
- Growth in the deficit is primarily in the Mandatory and Essential categories.
- **Public Safety expenses account for 80% of the Essential expenses category.**

### Percentage of Revenues

	2025	2026	2027	2028	2029	2030	2031
Mandatory	41%	41%	44%	44%	48%	48%	51%
Essential	63%	66%	69%	71%	72%	74%	76%
Discretionary	8%	8%	8%	9%	9%	9%	9%
<b>Total</b>	<b>111%</b>	<b>115%</b>	<b>122%</b>	<b>124%</b>	<b>129%</b>	<b>132%</b>	<b>137%</b>



# Next Steps

---

Town of Woodway  
WASHINGTON



# We want your thoughts

- Levy
  - One-time or Six-year?
  - Do you want additional public safety resources?
- Are there other Town services that you think should be enhanced?
- Are there Town services that you think should be eliminated?
- What is about Woodway that is important to you?